

**Construction Industry Council**

**Committee on Procurement**

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Meeting No. 004/09 of the Committee on Procurement was held on Wednesday, 21 October 2009 at 2:30 pm at Room 1201, Murray Building, Garden Road, Central.

Present	: Russell BLACK	(RB)	Chairman
	Francis BONG	(FB)	
	James CHIU	(JC)	
	Shing-see LEE	(SSL)	
	Conrad WONG	(CW)	
	James BLAKE	(JB)	Kowloon-Canton Railway Corporation
	Ian COCKING	(IC)	Minter Ellison Lawyers
	Steve GRIFFIN	(SGN)	MTRCL
	Colin JESSE	(CJ)	Evans and Peck (HK) Ltd
	Chun-kay LAU	(CKL)	Hong Kong Federation of Electrical and Mechanical Contractors
	Kevin POOLE	(KP)	Airport Authority Hong Kong
	Charles CHOW	(CCW)	Architectural Services Department
	Edward LEE	(ELE)	Civil Engineering and Development Department
In Attendance	: Irene CHENG	(ICG)	Housing Department
	Kenny FOK	(KF)	Independent Commission Against Corruption
	Tak-fai LEUNG	(TFL)	Chief Assistant Secretary (Works) 7 Development Bureau
	David LEE	(DLE)	The Real Estate Developers Association of Hong Kong
	Christopher TO	(CT)	Executive Director
	Alex LEUNG	(AL)	Senior Manager (Council Services) 1
	Summer LEE	(SrL)	Manager (Council Services) 1
Apologies	: Andrew CHAN	(AC)	
	Teresa CHENG	(TC)	

Tat-tong CHEUNG	(TTC)	
Ada FUNG	(AF)	For Permanent Secretary for Transport and Housing (Housing)
Thomas HO	(TH)	
Wo-hei LAM	(WHL)	
Billy WONG	(BW)	
Nap-ming CHAN	(NMC)	Housing Department
Lung-hing CHEUNG	(LHC)	
Margaret COATES	(MC)	CLP Power Hong Kong Ltd.
Mohan KUMARASWAMY	(MKK)	University of Hong Kong
Enoch LAM	(EL)	Deputy Secretary (Works) 2 Development Bureau
Wah-hoi MOK	(WHM)	Government Representative - ICAC
Hugh WU	(HW)	

## **PROGRESS REPORT**

### **Action**

#### **4.0 Opening of Meeting**

The Chairman welcomed all Members in attending the meeting and extended his warm welcome to Mr Kevin POOLE who joined the meeting for the first time.

Members supported the Chairman's recommendation that Mr POOLE, with his extensive experience in procurement and project management, to join the Committee as a Co-opted Member to contribute his knowledge on procurement matters to the Committee. The meeting ratified Mr POOLE to be the chairman of the newly formed Task Force on the Selection of Consultants and Contractors to lead the way forward and possibly the development of guidelines.

In addition, The Chairman welcomed Mr David LEE representing the Real Estate Developers Association of Hong Kong (REDA) to participate in the discussion on finalization of the draft Guidelines on Partnering.

#### **4.1 Confirmation of the Progress Report of the Committee**

**Meeting No. 003/09**

Members took note of the Paper CIC/PCM/R/003/09 and approved the progress report of the last meeting held on Thursday, 9 July 2009 at Murray Building.

**4.2 Matters Arising from the Previous Meeting**

According to the progress report, there being no matter arising from previous meeting.

**4.3 Final Draft of the Guidelines on Partnering**

CJ presented the Paper CIC/PCM/P/016/09 regarding the final draft of the Guidelines on Partnering and highlighted that this final draft had taken into account comments from Members of the Com-PCM. CJ extended his thanks to IC and his colleagues as well as CIC Secretariat for their efforts in finalizing the Guidelines.

CIC Secretariat had sent the final draft of the Guidelines to REDA for review and requested for their feedback on them by 30 October 2009. Besides, REDA was invited to attend this meeting and they had nominated Mr David LEE as their representative.

DLE stated that apart from the final draft, he had previously sent the other drafts of the Guidelines in the course of development to REDA's members for review. However, no reply had been received by him.

AL reported that a few comments were received from Development Bureau on the day of the meeting. CJ and the Task Force would follow it up.

**CJ**

After deliberation, CIC Secretariat proposed and Members agreed that the final draft, after incorporating the appropriate comments would be submitted to the Council for endorsement by December 2009. Members suggested that the Council should take the stand that partnering should be adopted as the industry's best practice. In addition, a foreword page should be added and signed by the CIC Chairman to reinforce CIC's stance.

**RB/CIC  
Secretariat**

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CIC Secretariat intended to engage a copywriter to standardize the format and streamline the various CIC Guidelines to be issued. The final version of the Guidelines on Partnering would be circulated to Members of this Committee for agreement before presenting them to the Council for endorsement.

**All to note**

With respect to the promulgation plan, AL stated that the initial plan would include sending a letter of notification to the industry stakeholders, arranging for press release at the Construction Industry Council (CIC) website, organizing a half-day seminar in presenting the Guidelines by the relevant Members, and possible delivering of talks on the Guidelines to the stakeholders in various professional institutes. He also invited views and suggestions from the Members.

A Member opined that there would be a number of other Guidelines to be issued by the CIC in this year, it might be desirable for the promulgation plan to encompass all of them. CT stated that there had been discussions with the CIC Chairman regarding this issue and the Communications Plan for CIC would take into account the Guidelines promulgation issues.

[ CJ left the meeting at 15:15 pm.]

**4.4 Progress Report of Meeting No. 002/09 of the Task Force on CPFS for Private Sector Construction Contracts**

SGN briefed Members on the Paper CIC/PCM/P/017/09 regarding the progress of the Task Force on CPFS for Private Sector Construction Contracts. In the last Task Force meeting, views from industry stakeholders on the application of CPFS were collected except REDA as their representative was not available for the last meeting. Stock of experience in overseas application of CPFS was also reviewed.

Since the Guidelines would be developed for the use in private sector construction contracts, Members recommended the formation of a small group to solicit the views and opinions from the private sector before commencing the discussions on

the preparation of Guidelines.

Regarding the IPS/Milestone Payment, Members had taken note of the stock of local experience. With respect to the possible development of Guidelines, as with CPFS, REDA's comments would be collected before further discussion on the subject.

AL reported that a paper outlining CPFS and its benefits to the private sector was sent to REDA together with the meeting request. CIC Secretariat had made a request to REDA to nominate two or more representatives to join the small group meeting and notify CIC Secretariat about their nominations by 30 October 2009.

4.5 **Progress Report of Meeting No. 002/09 of the Task Force on the Selection of Consultants and Contractors**

KP presented the Paper CIC/PCM/P/018/09 regarding the progress of the first meeting of the Task Force held on 5 October 2009. Members took note of the revised Terms of Reference (ToR) and the Membership List and opined that item 5 of the ToR should better be amended as "To undertake ....., and to recommend plans for their promulgation...."

KP highlighted that the Task Force had commenced taking stock of the local experience in the selection of consultants and contractors.

It was noted that REDA had verbally declined to join this Task Force. The Task Force Members opined that it would be important to have participation from the private sector in this Task Force. A Member opined that REDA should send in their formal reply on it. CIC Secretariat would follow it up with REDA.

**CIC  
Secretariat**

In the next Task Force meeting to be held in November 2009, it would continue to take stock of experience from the private sector. The Chairman of the Task Force would present on the selection of consultants and contractors in the Airport Authority Hong Kong. Mr Derek ZEN and Mr Alex KWAN had kindly taken up the duties in coordinating with the concerned contractors and consultants respectively to present

**Action**

the key issues and concerns on the selection of consultants and contractors towards the existing local practices.

[ DLE left the meeting at 15:30pm.]

**4.6 Year Plan 2009 – Progress Review**

The CIC Secretariat introduced the Paper CIC/PCM/P/019/09. Member noted that all of the prioritized tasks as identified under the year plan 2009 were able to be kept in-line with the scheduled programme. The programme for the Task Force on the Selection of Consultants and Contractors would be further developed once the Task Force determined its way forward.

For tasks in the years 2010-2011, Members would review the needs of the industry and send their suggestions to CIC Secretariat through email for consolidation.

**All**

**4.7 Any Other Business**

Nil.

**4.8 Next Meeting**

Date of next meeting will be advised after finalization of the meeting schedule for 2010. **All to note**

There being no further business, the meeting adjourned at 3:35 pm.

**Remarks:** The mentioned papers discussed in the meeting of the Committee on Procurement can be made available to the Council Members from the CIC Secretariat upon request.

**CIC Secretariat**  
**October 2009**